

Message Text

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21

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 AGR-10 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02 FRB-01

OMB-01 (ISO) W

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R 230748Z AUG 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9256

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PASS USDA/FAS/STEPHENS, CEP AND WILLIAMS, COT DIV, FMD
STATE FOR ANGEVINE, F&TD

E.O. 11652: NA

TAGS: EAGR

SUBJ: COTTON CONTRACT PROBLEM

FOLLOWING IS TEXT OF LETTER SENT BY YUPANGCO COTTON MILLS TO MRS.
REYES OF DBP REGARDING YUPANGCO'S PAST DUE COTTON CONTRACT WITH CIEC:
QUOTE. THIS WILL CONFIRM OUR CONVERSATION YESTERDAY REGARDING OUR
PAST DUE COTTON CONTRACT WITH COTTON IMPORT AND EXPORT COMPANY (CIEC).

TO SHOW OUR DEEP APPRECIATION TO THE VALUABLE ASSISTANCE GRANTED
OUR FIRM AND OUR HIGH RESPECT AND REGARD TO YOUR GOOD OFFICE, WE ARE
WILLING TO SETTLE THE AFORE-MENTIONED CASE BASED ON THE FOLLOWING
PROPOSALS AND CONSIDERATIONS, SO AS NOT TO PREJUDICE THE OTHER
TEXTILE MILLERS WHOSE RAW MATERIAL PURCHASING PROGRAM MIGHT BE AFFECTED BY OUR PENDING CASE.

1. CIEC WILL UNDERTAKE TO SHIP IMMEDIATELY THE COTTON COVERED
BY LETTER OF CREDIT NO. 4327 WHICH HAS BEEN AMENDED TO COVER RAW
COTTON SHIPMENTS OF 1,000 BALES UNDER CONTRACT CAG-440 AND ABOUT
280 BALES UNDER CONTRACT CAH-31.

2. WE WILL DISREGARD THE COURT DECISION AGAINST

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CIEC PROVIDED THEY ARE AGREEABLE TO NO. 1.

3. IN ADDITION, ALL OUTSTANDING BALANCE UNDER RAW COTTON CONTRACT CAH-31 OF 5,720 BALES WILL BE CANCELLED SIMULTANEOUSLY.

4. FURTHERMORE, CIEC WILL NOT COLLECT ANY CARRYING CHARGES ON THE COTTON TO BE SHIPPED UNDER L/C NO. 4327.

5. FINALLY, BOTH PARTIES SHALL DROP ALL CLAIMS AND COUNTER-CLAIMS AGAINST EACH OTHER AND WILL CONSIDER THIS CASE AS HAVING BEEN AMICABLY SETTLED TO THE ENTIRE SATISFACTION OF BOTH PARTIES.

IN CASE CIEC IS NOT AGREEABLE TO THE ABOVE, THEN WE WILL CONSIDER OUR FOREGOING PROPOSALS AS WITHDRAWN AND THIS PROBLEM WILL BE IN "STATUS QUO".

IN VIEW OF THE EXPENSES AND LOSSES ALREADY SUFFERED FROM INTEREST, BANK CHARGES AND FAILURE TO CONTRACT FOR REASONABLY LOW-PRICED COTTON AS WELL AS THE LOSSES FROM LOW PRODUCTION OUTPUT DUE TO RAW MATERIAL SHORTAGE, WE REQUEST YOU AGAIN FOR YOUR ASSISTANCE AND INFLUENCE IN HAVING THIS MATTER SETTLED AS SOON AS POSSIBLE.
END OF QUOTE.

SULLIVAN

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NNN

Message Attributes

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